

**The Ron Dearing UTC**  
**(A company limited by guarantee)**  
**Annual Report and Financial Statements**

**31 August 2023**





## **The Ron Dearing UTC**

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## **The Ron Dearing UTC**

### **Reference and administrative details**

<b>Members</b>	A Bullock R Martin P Robinson
<b>Trustees (Directors)</b>	C Spencer J Connolly Dr B Charlesworth Dr W Grundy (resigned 26 February 2023) Y Moir J Speedy K Arundel K Wilkinson Prof S Kelly (resigned 26 February 2023) R Martin, Chair G Sward E Robson N J Cavill J Klemp T Shaw J C Hutchinson (resigned 26 February 2023) L Botham T R Johnson (appointed 27 January 2023) E Da Silva Maria Freire (appointed 27 February 2023)
<b>Senior Management Team</b>	S Pashley, Principal S Willacy, Head of School M Ollerenshaw, Vice Principal
<b>Principal and Registered Office</b>	The Ron Dearing UTC Kingston Square Hull HU2 8BQ
<b>Registration Number</b>	10009591 (England and Wales)
<b>Auditor</b>	Smailes Goldie Regent's Court Princess Street Hull East Yorkshire HU2 8BA

## **The Ron Dearing UTC**

### **Reference and administrative details (continued)**

<b>Bankers</b>	Lloyds Bank Plc Grand Buildings Jameson Street Hull HU1 3JX
<b>Solicitors</b>	Rollits LLP Citadel House 58 High Street Hull HU1 1QE

## **The Ron Dearing UTC**

### **Trustees' report for the Year Ended 31 August 2023**

The Trustees present their Annual Report together with the Financial Statements and Auditors' Report of the charitable company for the year ended 31 August 2023. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

#### **Structure, governance and management**

##### ***Constitution***

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of The Ron Dearing UTC are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Ron Dearing UTC. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

##### ***Members' liability***

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before they ceased to be a member.

##### ***Trustees' indemnities***

The Trustees are covered by indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of duty of which they may be guilty in relation to the Academy Trust. This cover is provided under the Department for Education's risk prevention arrangement.

##### ***Method of recruitment and appointment or election of Trustees***

Trustees are mainly recruited through the Academy Trust's connections with its sponsor and partner organisations. The arrangements for the appointment of Trustees are in the Articles of Association of the Academy Trust.

##### ***Policies and procedures adopted for the induction and training of Trustees***

The Academy Trust is committed to approving Trustees with appropriate training to enable them to perform their roles and duties; and works closely with the Baker Dearing Trust and local authority in this respect. A thorough skills analysis is undertaken annually to ensure Trustees receive the training they need to fulfil their role and carry out the objects of the Academy Trust.

##### ***Organisational structure***

The Board of Trustees is responsible for the appointment and appraisal of the principal, and is accountable to the Academy Trust's members and the Department for Education. The Principal, acting as Chief Executive Officer, is responsible for all aspects of the day to day management and operation of the trust and is its Accounting Officer. A scheme of delegation is in place which has established a schedule of responsibilities and matters reserved for the Board of Trustees.

## **The Ron Dearing UTC**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***Arrangements for setting pay and remuneration of key management personnel***

The Trust has established a Pay Progression Sub Committee to determine the pay and remuneration of its staff. In particular, supported by the Trust's appointed Education Adviser, the committee determines the basic pay, bonus and other remuneration factors of the Principal and Vice Principals.

As well as data from the education sector, the links with business, allows the Trust to have access to information on the pay and conditions of senior staff within the region.

With the exception of the Principal, staff are on pay points agreed nationally for both teaching and non-teaching staff. Performance reviews take place in the Autumn Term, in accordance with the Trust's pay policy and changes in pay as a result of both national agreements and individual performance take effect from 1 September.

#### ***Connected organisations, including related party relationships***

A key element to the provision of the UTC is its links to industry. The Founding Partners of the UTC are:

- The University of Hull
- KCOM - leading provider of communications and IT solutions to both consumer and business markets across the UK
- Reckitt - global force in health, hygiene and the home
- Smith & Nephew - global medical technology business
- Siemens Gamesa - pioneer in green energies
- Spencer Group - leading specialist engineering business

## **The Ron Dearing UTC**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

The UTC has engaged with the following companies as Major Partners and Partners. Further details of the arrangements Ron Dearing UTC has with its partners can be found on our website ([www.rondearingutc.com](http://www.rondearingutc.com)).

- Alan Wood Partners (Partner)
- AJ Building (Partner)
- BACB Renewables (Resource)
- Bonus (Major)
- C4DI (Wykeland Group) (Major)
- Catch (Resource)
- CDS Energy Services (Major)
- Cranswick (Major)
- Designs Signage Solutions (Major)
- Equinor (Major)
- Fisher Security (Major)
- Fit 24 (Resource)
- Fresh Design Limited (Major)
- Fujitsu (Resource)
- Giacom (Major)
- Harper Fox (Resource)
- Humberside Fire and Rescue (Major)
- Ideal Boilers Ltd (Major)
- Influence Incorporated (Resource)
- IRIS NDT (Major)
- Jupiter (Resource)
- Klaafe Limited (Partner)
- LSTC (Partner)
- Luxinar (Major)
- Mira (Kohler) (Major)
- MRT (Major)
- Northern PowerGrid (Partner)
- Orsted (Major)
- Pneumatic Engineering (Partner)
- Porsche (Major)
- Quickline (Major)
- Sauce Consulting (Major)
- Sewell (Major)
- Shiphams Values Limited (Major)
- Spectrum (Partner)
- The 55 Group (Major)
- Trident (Resource)
- Wood Group (Major)
- X Ridings (Partner)

The Academy Trust has developed a policy to manage any potential conflicts of interest that might arise.



## **The Ron Dearing UTC**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### **Employment of disabled persons**

The Companies (Miscellaneous Reporting) Regulations 2018 introduce a requirement for companies with more than 250 employees to include a statement in their directors' (trustees') report summarising action taken during the period to introduce, maintain or develop arrangements aimed at:

- providing employees with information on matters of concern to them
- consulting employees or their representatives regularly so that the views of employees can be considered in making decisions which are likely to affect their interests
- encouraging the involvement of employees in the company's performance
- achieving a common awareness on the part of all employees of the factors affecting the performance of the company
- its policy in respect of applications for employment from disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled person.

The Department for Business, Energy and Industrial Strategy (BEIS) has published guidance to help companies understand how this affects them. The Charities Commission has also published a guide: Charities SORP Information Sheet 3: The Companies (Miscellaneous Reporting) Regulations 2018 and UK Company Charities.

#### **Objectives and activities**

##### ***Objects and aims***

The principal objective of the Academy Trust is to advance for the public benefit education in the United Kingdom by establishing, maintaining, managing and developing a University Technical College (UTC) providing a balanced curriculum of secondary education with a focus on our specialisms of mechatronics and digital technology. Our approach to education is based upon 'learning by doing'.

## **The Ron Dearing UTC**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***Objectives, strategies and activities***

The key focus of the Academy Trust, its Trustees and staff, is to provide a unique employer-driven education to give our young people the edge in a rapidly evolving digital world.

RDUTC supports regional economic growth, developing tomorrow's workforce through innovative and pioneering education. As a distinctive learning community, we ensure that all students are motivated and inspired to become confident, skilled, employable and entrepreneurial professionals in particular in our specialisms of Engineering, Creative Digital and Technical Digital.

We ensure that all our students gain the knowledge, skills, attributes and qualifications they need to have the widest possible choice of career pathways both within and beyond our specialist areas.

We actively support and encourage students to be visionary, creative and entrepreneurial; to be ready and able to take risks and manage the consequences. We nurture the talents and aptitudes of young men and women to become active global citizens in the 21st century, ready to take on the world

The strategies Trustees put in place to recruit students, employ key staff and become a major partner for Hull businesses have continued throughout the year. As part of this strategy the UTC has partnered with GORSE SCITT, an Ofsted outstanding provider in school centred initial teacher training

The UTC's curriculum at Key Stage 4 and post-16 has been carefully developed to ensure students gain all the key academic qualifications they need, as well as enabling them to study a range of professional and technical qualifications that the UTC's employer sponsors tell us are essential for students to succeed in the work place and at university. In addition to these exciting qualifications, the UTC prioritises the development of important personal and employability skills, including teamwork, leadership, communication, independence, resilience and entrepreneurship.

#### ***Public benefit***

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. The Academy Trust has operated in accordance with the terms of the funding provided by the Department for Education and other public bodies.

## **The Ron Dearing UTC**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### **Strategic Report**

##### **Charitable activities**

The purpose-built college opened in September 2017 and is now in its seventh year. Recruitment of students has surpassed targets agreed with the Department for Education, and significant partnerships to deliver project-based learning have been established with our partner employers.

In March 2020 the UTC was inspected by Ofsted – and received a glowing report and a rating of outstanding in all areas. Ofsted reported that:

"Ron Dearing UTC has the hallmarks of a school that could be viewed as a guiding light in the educational sector. Pupils attending the school are fortunate to receive an exceptional quality of education. Many parents and carers say that, since starting at the school, their children have changed for the better. Indeed, pupils are mature and act professionally at all times. They achieve particularly well from their different starting points.

Pupils' behaviour is exemplary. Staff and pupils report very high levels of satisfaction. Pupils say that staff really care about them and that they feel safe. Relationships between pupils and staff are extremely positive. Everyone is on first name terms. When walking around the superb facilities and observing the interactions between staff and pupils, one could be excused for forgetting that you are in a school at all. Leaders have worked hard to create an environment which is business-like and heavily focused on the world of work.

The school has considerable links to industry and business in the local area and beyond. Pupils and staff work very closely with professionals, both in the school and the workplace. Pupils develop a wide range of employability skills so they are ready to enter the world of work.

So far, when leaving the school, all pupils have secured apprenticeships with the school's partner employers, attended university or found alternative employment."

The full report can be found at - <https://reports.ofsted.gov.uk/provider/23/144766>

## **The Ron Dearing UTC**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

Students at the UTC have achieved excellent results in their GCSEs and Level 2 Technical qualifications for the third year in a row, confirming Ofsted's judgement that the school provides its students with an outstanding education. All Year 11 students have progressed onto Sixth Form, FE College or apprenticeships, the vast majority staying on into the RDUTC Sixth Form.

Highlights of the GCSE results achieved by Ron Dearing UTC's Year 11 students include:

- 81% of students achieved grades 4-9 in both English and Maths.
- 60% of students secured grades 5-9 in English and Maths.

The Hull school's specialisms have also performed exceptionally strongly, with a significant number of students achieving the highest grades:

96% of all grades L2P – D\* in all specialist areas (Creative Digital, Engineering & Digital Technology)

73% of all grades L2M – D\* in all specialist areas (Creative Digital, Engineering & Digital Technology)

28% of all grades D\*- D in all specialist areas (Creative Digital, Engineering & Digital Technology)

Results at A level were also outstanding. All Year 13 students at the school have secured employment, an apprenticeship or a place at university after an overall pass rate of 100%.

Highlights at post-16, included:

- Average grade for A level subjects is B- compared to a national grade of C
- Average grade for Level 3 Technical subjects is Distinction

#### ***Going concern***

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

## **The Ron Dearing UTC**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### **Financial review**

The principal source of funding for the trust during the year were from pupil led funding from the Education & Skills Funding Agency (ESFA). As a new academy, the UTC also received additional funds to cover dis-economies of scale and help to provide the specialist resources required by the UTC.

Significant funds were also received from its Partners, that have enabled the UTC to provide additional resources and support for its students.

Expenditure on fixed assets, funded by ESFA grants, are capitalised.

At the year end, after transfers to the restricted fixed asset funds there was a deficit in the year of £646,286 in general restricted funds and £183,706 in unrestricted funds. This is due to the investment made on the Steam Studios project during the year 2022/23.

#### **Reserves Policy**

The reserves at the end of the year are £14,482,688 (2021: £11,987,857). Of this, a deficit position of £197,730 (2022: £632,262 - surplus) is total reserves excluding the fixed asset and pension reserves.

The school's cumulative deficit position is due to the investment made by the school in the extension of the sixth form provision and some additional unforeseen costs as part of this building project.

The school has been hugely successful in recruiting additional pupils which will improve the budget position from academic year 2024/25 allowing the budget to return to a surplus position during this year. The 3-year budget projections look healthy going forward given the improved pupil numbers.

Previously the school benefited from a pupil number adjustment based on numbers on role in the September following the October census, this agreement with the ESFA came to an end on 31/08/23 meaning funding is lagged to the previous October. This system is a disadvantage to growing schools and will prevent the school from returning to surplus position during the 2023/24 academic year however the deficit is expected to reduce by c£85k.

Trustees believe that it is prudent to have reserves to cover up to 1 month of regular expenditure, this equates to approximately £415,000.

#### **Investment policy**

The Academy Trust currently has no investments. To maintain the Academy Trust's cash flow requirements all monies are currently held in an interest bearing current account.

Trustees are mindful that additional investments may be prudent in the future and, should the opportunity arise, have agreed an investment policy.

## **The Ron Dearing UTC**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

#### ***Principal risks and uncertainties***

A finance subcommittee has been established by Trustees, whose remit is to consider the principal risks and uncertainties the Academy Trust faces. A risk register has been established, with the nature of the risk, its likelihood of occurring and impact, and any mitigating circumstances recorded. The register is formally reviewed twice a year and trustees are reminded of the key risks as part of the monthly management accounts.

The Trustees and staff, supported by the Department for Education and Local Authority, have managed the risks relating to COVID-19 in accordance with the guidance available. Adjustments to the building and day to day activities have been made to ensure staff and pupils are safe. We will continue to make all adjustments required to maintain a safe environment, whilst monitoring the additional costs to do so.

The Trustee's assessment of the principal long-term risks and uncertainties facing the UTC as:

- **ICT Infrastructure** - The ability to maintain and develop the specialist platforms (ICT) required to deliver its curriculum.
- **Grant Income** - The delivery of the UTC's curriculum is more expensive per pupil than the delivery of a broad curriculum in a typical secondary school.
- **Sponsor Income** - Our USP is the involvement of our partners. Many of partners initially signed 3-year agreements which were renewed September 2020. The UTC has continued to engaged more partners during the 2022/23 academic year.
- **Staff** - The ability to recruit and retain staff with the knowledge required to deliver in specialist areas. With the success of the UTC the loss of key staff to other education establishments is more likely than in earlier years.
- **Students** - The ability to attract sufficient students that are able to undertake the curriculum offered by the UTC.

#### **Fundraising**

##### ***Plans for future periods***

The expansion project to increase capacity from 500 to 800 student places was successfully completed in August 2023 and the UTC's satellite site, STEAM Studios, opened on 1st September.

There are no plans for further expansion at the moment.

#### **Auditor**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### ***Reappointment of auditor***

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Smailes Goldie as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

## **The Ron Dearing UTC**

### **Trustees' report for the Year Ended 31 August 2023 (continued)**

The Trustees' report, incorporating a strategic report, was approved by the Board of Trustees on 13 December 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'R Martin', written over a dotted line.

R Martin  
Chair



## The Ron Dearing UTC

### Governance statement

#### Statement on governance and internal control

##### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Ron Dearing UTC has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to S Pashley, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Ron Dearing UTC and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

##### Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
K Arundel	2	3
L Botham	2	3
N J Cavill	3	3
Dr B Charlesworth	2	3
J Connolly	2	3
J Klemp	2	3
R Martin	3	3
Y Moir	3	3
E Robson	3	3
K Wilkinson	1	3
S Pashley	3	3
T Shaw	2	3
J Speedy	2	3
C Spencer (resigned 8 September 2021)	2	3
G Sward	1	3
E Da Silva Maria Freire (appointed 27 February 2023)	2	2
T R Johnson (appointed 27 January 2023)	1	2
Dr W Grundy (resigned 26 February 2023)	0	1
J C Hutchinson (resigned 26 February 2023)	0	1
Prof S Kelly (resigned 26 February 2023)	0	1



## **The Ron Dearing UTC**

### **Governance statement (continued)**

#### **Governance reviews**

As part of the development of the Board of Trustees, and in accordance with the Academies Financial Handbook, a detailed review of governance arrangements took place, led by an experienced external adviser. The adviser spoke with individual Trustees and attended Trust meetings; producing their report in July 2019, for consideration by Trustees.

The governance arrangements have continued to be effective and operate via a mixture of online and in person meetings.

#### **Review of value for money**

As Accounting Officer the member has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The Accounting Officer for the Academy Trust seeks to deliver optimum value for money by overseeing the competitive tendering of key contracts, building partnerships with other institutions and the business community, and through the recruitment of staff who are committed to the ethos of the UTC.

During the year, a review of existing contracts was undertaken to ensure all were still required and delivered good value. No significant changes were required as a result of this. A detailed review of curriculum consumables expenditure was undertaken, which has resulted in an overhaul of the curriculum consumables budgeting, purchasing and storing system. Curriculum consumable expenditure will be managed centrally by the admin function rather than each individual department. This will reduce duplicate purchases, benefit from economies of scale and enable the monitoring of use to reduce wastage.

Following the Trustees' approval last year for staff to be involved with other schools as consultants to support programmes to retain staff, share our expertise and derive additional income for the UTC, the UTC worked with seven different education providers during the year providing opportunities for seven members of staff and generating income for the UTC.

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Ron Dearing UTC for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

## **The Ron Dearing UTC**

### **Governance statement (continued)**

#### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function. The Trust appointed the chief finance officer of Engineering Northern Lincolnshire UTC to carry out a peer review. The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period included:

- Review & testing of credit card expenditure;
- Review & testing of petty cash expenditure;
- Review & testing of purchase invoice expenditure;
- Review & testing of HR Documentation;
- Review of school finance controls policy.

The peer review was undertaken in September 2023 and the report will be presented to the Finance and Audit committee at the next meeting. There were no material control or other issues reported. The next peer review will be undertaken in Summer 2024.

#### **Review of effectiveness**

As Accounting Officer, S Pashley has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the responsible officer (peer review);
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

## The Ron Dearing UTC

### Governance statement (continued)

#### The risk and control framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and General Purposes Committee of reports, which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- identification and management of risks.

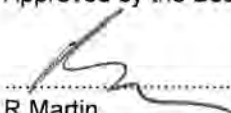
The Board of Trustees has decided not to appoint an auditor for this purpose.


This option has been chosen as the Trustees have appointed R Martin, a trustee, to carry out a programme of internal checks.

The auditor's Responsible Officer's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular the checks carried out in the current period included:

On a quarterly basis, the Responsible Officer reports to the Board of Trustees, through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Approved by the Board of Trustees on 13 December 2023 and signed on its behalf by:

  
.....  
R Martin  
Chair

  
.....  
S Pashley  
Accounting Officer

## **The Ron Dearing UTC**

### **Statement of regularity, propriety and compliance**

As Accounting Officer of The Ron Dearing UTC I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2022.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2022.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and the ESFA.

  
.....  
S Pashley  
Accounting Officer

13 December 2023

## **The Ron Dearing UTC**

### **Statement of Trustees' Responsibilities**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees on 13 December 2023 and signed on its behalf by:



.....  
R Martin  
Chair

## **The Ron Dearing UTC**

### **Independent Auditor's Report on the Financial Statements to the Members of The Ron Dearing UTC**

#### **Opinion**

We have audited the financial statements of The Ron Dearing UTC (the 'Academy') for the year ended 31 August 2023, which comprise the Statement of Financial Activities for the year ended 31 August 2023 (including Income and Expenditure Account), Balance Sheet as at 31 August 2023, Statement of Cash Flows for the year ended 31 August 2023, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## **The Ron Dearing UTC**

### **Independent Auditor's Report on the Financial Statements to the Members of The Ron Dearing UTC (continued)**

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Trustees**

## **The Ron Dearing UTC**

### **Independent Auditor's Report on the Financial Statements to the Members of The Ron Dearing UTC (continued)**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 18], the trustees (who are also the directors of the academy trust for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Academy trust or to cease operations, or have no realistic alternative but to do so.

#### **Auditor Responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### **The extent to which the audit was considered capable of detecting irregularities including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities SORP 2019, Academies Accounts Direction 2022 to 2023, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence as necessary.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;



## **The Ron Dearing UTC**

### **Independent Auditor's Report on the Financial Statements to the Members of The Ron Dearing UTC (continued)**

- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Academy's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
Luke Taylor BSc(Hons) ACA (Senior Statutory Auditor)  
For and on behalf of Smailes Goldie,  
Chartered Accountants  
Statutory Auditor  
Regent's Court  
Princess Street  
Hull  
East Yorkshire  
HU2 8BA

13 December 2023

#### **Note:**

The maintenance and integrity of The Ron Dearing UTC website is the responsibility of the Trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

## **The Ron Dearing UTC**

### **Independent Reporting Accountant's Assurance Report on Regularity to The Ron Dearing UTC and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 12 November 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Ron Dearing UTC during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Ron Dearing UTC and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to The Ron Dearing UTC and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Ron Dearing UTC and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of The Ron Dearing UTC's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of The Ron Dearing UTC's funding agreement with the Secretary of State for Education dated 1 September 2016 and the Academies Financial Handbook 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

## **The Ron Dearing UTC**

### **Independent Reporting Accountant's Assurance Report on Regularity to The Ron Dearing UTC and the Education and Skills Funding Agency (continued)**

The work undertaken to draw to our conclusion includes:

- Ensuring value for money is sought for all goods/services procured by the Academy Trust, including those procured from related parties of the Academy Trust.
- Ensuring that fixed asset additions are made in line with the terms of the funding received and that fixed asset disposals are properly authorised by the DfE.
- Ensuring that expenditure incurred through the Academy Trust bank account and debit card is appropriate for the purposes of the Academy Trust and that there has been no personal expenditure from the Academy Trust's funds.
- Ensuring pension contributions are paid to the respective schemes in a timely manner.
- Ensuring returns required by regulatory or funding authorities are completed on a timely basis.

#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....  
Smailes Goldie  
Chartered Accountants  
Regent's Court  
Princess Street  
Hull  
East Yorkshire  
HU2 8BA

13 December 2023

## The Ron Dearing UTC

### Statement of Financial Activities for the Year Ended 31 August 2023 (including Income and Expenditure Account)

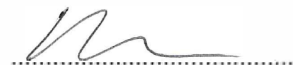
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2022/23 Total £	2021/22 Total £
<b>Income and endowments from:</b>						
Donations and capital grants	2	577,300	-	2,616,355	3,193,655	11,496,622
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	82,383	5,350,165	-	5,432,548	4,931,849
Investments	4	98	-	-	98	331
Total		659,781	5,350,165	2,616,355	8,626,301	16,428,802
<b>Expenditure on:</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	6	32,157	5,876,659	339,050	6,247,866	5,645,384
Net income/(expenditure)		627,624	(526,494)	2,277,305	2,378,435	10,783,418
Transfers between funds		(811,330)	(193,792)	1,005,122	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension schemes	23	-	232,000	-	232,000	1,011,000
Net movement in (deficit)/funds		(183,706)	(488,286)	3,282,427	2,610,435	11,794,418
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2022		183,706	290,556	11,423,595	11,897,857	103,439
Total (deficit)/funds carried forward at 31 August 2023		-	(197,730)	14,706,022	14,508,292	11,897,857

# The Ron Dearing UTC

(Registration number: 10009591 (England and Wales))  
Balance Sheet as at 31 August 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	11	14,706,022	11,423,595
<b>Current assets</b>			
Debtors	12	509,955	1,108,377
Cash at bank and in hand		<u>64,810</u>	<u>1,179,206</u>
		574,765	2,287,583
<b>Liabilities</b>			
Creditors: Amounts falling due within one year		<u>(772,495)</u>	<u>(1,655,321)</u>
Net current (liabilities)/assets		<u>(197,730)</u>	<u>632,262</u>
Total assets less current liabilities		<u>14,508,292</u>	<u>12,055,857</u>
Net assets excluding pension asset		14,508,292	12,055,857
Defined benefit pension scheme liability	23	<u>-</u>	<u>(158,000)</u>
<b>Total net assets</b>		<u><b>14,508,292</b></u>	<u><b>11,897,857</b></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund	14	(197,730)	290,556
Restricted fixed asset fund	14	<u>14,706,022</u>	<u>11,423,595</u>
		14,508,292	11,714,151
<b>Unrestricted funds</b>			
Unrestricted general fund	14	<u>-</u>	<u>183,706</u>
<b>Total funds</b>		<u><b>14,508,292</b></u>	<u><b>11,897,857</b></u>

The financial statements on pages 25 to 50 were approved by the Board of Trustees, and authorised for issue on 13 December 2023 and signed on their behalf by:



R Martin  
Chair

## The Ron Dearing UTC

### Statement of Cash Flows for the year ended 31 August 2023

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	18	(130,686)	206,239
Interest paid		-	-
Cash outflows from investing activities	19	<u>(983,710)</u>	<u>(220,681)</u>
Change in cash and cash equivalents in the year		(1,114,396)	(14,442)
Cash and cash equivalents at 1 September		<u>1,179,206</u>	<u>1,193,648</u>
Cash and cash equivalents at 31 August	20	<u><u>64,810</u></u>	<u><u>1,179,206</u></u>

## **The Ron Dearing UTC**

### **Notes to the Financial Statements for the Year Ended 31 August 2023**

#### **1 Accounting policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty is set out below.

##### **Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Income**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

##### **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

The Academy Trust is benefitting from DfE's Post 16 Capacity Fund. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the Academy Trust controls (through ownership, lease or license) the site where the development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

##### **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.



## **The Ron Dearing UTC**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **1 Accounting policies (continued)**

##### ***Donations***

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

##### ***Other income***

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

##### ***Donated goods, facilities and services***

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

##### ***Donated fixed assets***

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

##### ***Expenditure***

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

##### ***Expenditure on raising funds***

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### ***Charitable activities***

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.



## The Ron Dearing UTC

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 1 Accounting policies (continued)

##### Tangible fixed assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Asset class	Depreciation method and rate
Furniture and Equipment	25% per annum
ICT Equipment	33.3% per annum

##### Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

##### Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

##### Assets under construction

Assets under construction are recognised at cost. The assets under construction are not depreciated until they are brought into use, at which point they will be transferred to Fixed Assets and depreciated in line with the applicable accounting policy.

## **The Ron Dearing UTC**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **1 Accounting policies (continued)**

##### **Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### **Pension benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

##### **Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

## The Ron Dearing UTC

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 1 Accounting policies (continued)

##### **Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Critical accounting estimates and assumptions**

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the pension and similar obligations note, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Capital grants	-	2,616,355	2,616,355	1,167,232
Donations - local authority asset transfer	-	-	-	10,177,616
Other donations	577,300	-	577,300	151,774
	<u>577,300</u>	<u>2,616,355</u>	<u>3,193,655</u>	<u>11,496,622</u>

## The Ron Dearing UTC

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
<b>DfE/ESFA revenue grants</b>				
General Annual Grant (GAG)	-	4,736,628	4,736,628	4,309,954
Start Up grants	-	15,000	15,000	15,000
Pupil premium	-	63,944	63,944	61,577
Other	-	224,306	224,306	76,812
Teachers' pay	-	2,020	2,020	17,963
Teachers' pension	-	70,156	70,156	50,758
UTC Transitional	-	-	-	100,000
	-	5,112,054	5,112,054	4,632,064
<b>Other government grants</b>				
Local authority grants	-	176,527	176,527	180,964
<b>COVID-19 additional funding (non-DfE/ESFA)</b>				
Other COVID-19 funding	-	-	-	7,931
<b>Non-government grants and other income</b>				
Other income from the academy trust's operations	82,383	61,584	143,967	110,890
<b>Total grants</b>	<u>82,383</u>	<u>5,350,165</u>	<u>5,432,548</u>	<u>4,931,849</u>

In the prior year the Academy Trust received £7,931 of funding for COVID-19 Mass testing. All of this funding was spent in 2021/22.

#### 4 Investment income

	Unrestricted Funds £	2022/23 Total £	2021/22 Total £
Short term deposits	<u>98</u>	<u>98</u>	<u>331</u>

## The Ron Dearing UTC

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 5 Expenditure

Net income/(expenditure) for the year includes:

	2022/23 £	2021/22 £
Operating lease rentals	9,535	1,088
Depreciation	317,736	121,443
Fees payable to auditor - audit	9,390	9,445
Fees payable to auditor - other non-audit services	4,280	18,820

#### Non Pay Expenditure

	Staff costs £	Premises £	Other costs £	2022/23 Total £	2021/22 Total £
<b>Academy's educational operations</b>					
Direct costs	3,360,367	-	487,010	3,847,377	3,378,808
Allocated support costs	1,202,824	582,747	614,918	2,400,489	2,266,576
	<u>4,563,191</u>	<u>582,747</u>	<u>1,101,928</u>	<u>6,247,866</u>	<u>5,645,384</u>

#### 6 Charitable activities

	2022/23 £	2021/22 £
Direct costs - educational operations	3,847,377	3,378,808
Support costs - educational operations	2,400,489	2,266,576
	<u>6,247,866</u>	<u>5,645,384</u>
	<b>Educational operations £</b>	<b>2022/23 Total £</b>
		<b>2021/22 Total £</b>

#### Analysis of support costs

Support staff costs	1,202,824	1,202,824	1,199,281
Depreciation	317,736	317,736	334,307
Technology costs	72,874	72,874	69,783
Premises costs	265,011	265,011	167,733
Other support costs	366,284	366,284	370,740
Governance costs	175,760	175,760	124,732
Total support costs	<u>2,400,489</u>	<u>2,400,489</u>	<u>2,266,576</u>

## The Ron Dearing UTC

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 7 Staff

##### Staff costs

	2022/23 £	2021/22 £
<b>Staff costs during the year were:</b>		
Wages and salaries	3,421,020	2,998,496
Social security costs	369,639	325,878
Operating costs of defined benefit pension schemes	772,532	870,449
	<u>4,563,191</u>	<u>4,194,823</u>

##### Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2022/23 No.	2021/22 No.
Teachers	39	36
Administration and support	38	35
Management	14	13
	<u>91</u>	<u>84</u>

##### Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No	2022 No
£60,001 - £70,000	7	-
£70,001 - £80,000	1	-
£80,001 - £90,000	1	-
£90,001 - £100,000	1	2
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-
	<u>1</u>	<u>-</u>

##### Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £455,960 (2022: £446,742).

## **The Ron Dearing UTC**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **8 Related party transactions - trustees' remuneration and expenses**

There were no Trustees' remuneration or other benefits for the year ended 31 August 2023 nor for the year ended 31 August 2022.

#### **Trustees' expenses**

For the year ended 31 August 2023 and year ended 31 August 2022 no Trustees were reimbursed for travel and subsistence expenses.

Other related party transactions involving the trustees are set out in note 24.

#### **9 Trustees' and officers' insurance**

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides unlimited cover on any one claim. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.



## The Ron Dearing UTC

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 10 Statement of financial activities for prior year

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2021/22 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	151,774	-	11,344,848	11,496,622
Investments	4	331	-	-	331
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	89,662	4,842,187	-	4,931,849
Total	-	241,767	4,842,187	11,344,848	16,428,802
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	6	34,515	5,276,476	334,393	5,645,384
Net income/(expenditure)		207,252	(434,289)	11,010,455	10,783,418
Transfers between funds		(143,058)	(54,938)	197,996	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	23	-	1,011,000	-	1,011,000
Net movement in funds		64,194	521,773	11,208,451	11,794,418
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2021		119,512	(231,217)	215,144	103,439
Total funds carried forward at 31 August 2022		183,706	290,556	11,423,595	11,897,857



## The Ron Dearing UTC

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 11 Tangible fixed assets

	Leasehold land and buildings £	Assets under construction £	Furniture and equipment £	Computer equipment £	2022/23 Total £
<b>Cost</b>					
At 1 September 2022	10,177,616	1,280,218	322,714	1,286,824	13,067,372
Additions	-	3,504,708	56,957	38,498	3,600,163
Transfers	4,784,926	(4,784,926)	-	-	-
At 31 August 2023	14,962,542	-	379,671	1,325,322	16,667,535
<b>Depreciation</b>					
At 1 September 2022	212,864	-	257,190	1,173,723	1,643,777
Charge for the year	212,864	-	29,495	75,377	317,736
At 31 August 2023	425,728	-	286,685	1,249,100	1,961,513
<b>Net book value</b>					
At 31 August 2023	14,536,814	-	92,986	76,222	14,706,022
At 31 August 2022	9,964,752	1,280,218	65,524	113,101	11,423,595

In agreement with the local council and Department for Education (DfE) one of these donated leasehold land & buildings was to be converted for the Academy Trust's use. The amounts relating to assets under construction were the expenditure cost to convert the building into its intended use for the school. The total value of this work was £4,784,926, and has been transferred to the Leasehold land and building category on its completion. Depreciation commenced on the newly completed asset from 1st September 2023.

## The Ron Dearing UTC

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 12 Debtors

	2023 £	2022 £
Trade debtors	81,192	44,092
VAT recoverable	61,561	172,942
Prepayments and accrued income	367,202	891,343
	<u>509,955</u>	<u>1,108,377</u>

At the balance sheet date the Academy Trust recognised accrued income of £186,146 (2022 - £843,619) in relation to the 90% DfE funding of the assets under construction project cost.

#### 13 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	433,436	1,007,692
Other taxation and social security	89,329	76,638
Other creditors	81,964	70,661
Accruals	167,766	500,330
	<u>772,495</u>	<u>1,655,321</u>

## The Ron Dearing UTC

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 14 Funds

	As restated Balance at 1 September 2022 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2023 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	316,610	4,736,628	(5,121,229)	(193,792)	(261,783)
Other DfE/ESFA Grants	81,286	375,425	(407,000)	-	49,711
Local Authority Grants	50,660	176,527	(212,845)	-	14,342
Other non-DfE/ESFA COVID-19 funding	-	61,585	(61,585)	-	-
Pension Reserve	(158,000)	-	(74,000)	232,000	-
	<u>290,556</u>	<u>5,350,165</u>	<u>(5,876,659)</u>	<u>38,208</u>	<u>(197,730)</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA Capital Grant	1,300,298	2,616,355	(21,314)	(3,895,339)	-
Other fixed assets	158,545	-	(104,872)	4,900,461	4,954,134
Donated assets	9,964,752	-	(212,864)	-	9,751,888
	<u>11,423,595</u>	<u>2,616,355</u>	<u>(339,050)</u>	<u>1,005,122</u>	<u>14,706,022</u>
Total restricted funds	11,714,151	7,966,520	(6,215,709)	1,043,330	14,508,292
<b>Unrestricted funds</b>					
Unrestricted general funds	183,706	659,781	(32,157)	(811,330)	-
Total funds	<u>11,897,857</u>	<u>8,626,301</u>	<u>(6,247,866)</u>	<u>232,000</u>	<u>14,508,292</u>

## **The Ron Dearing UTC**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **14 Funds (continued)**

The specific purposes for which the funds are to be applied are as follows:

The General Annual Grant represents funds received from the ESFA towards the operation of the Academy Trust. The Academy Trust is not subject to GAG carry forward limits. In the year there has been a GAG overspend of £261,783. £193,792 relates to an overspend on budget for the capital expansion of the UTC, an overspend of £67,991 on academy operations. An amount of £49,711 is held in other DfE/ESFA grants relating to rates relief and 16-19 Bursary funding. A further £14,342 is carried forward in Local Authority Grants relating to SEN.

Other DfE/ESFA grants and other restricted grants must be used for the specific purpose for which they are given. Such grants and income enable the Academy Trust to fulfil its charitable objectives.

Local Authority Grants represent income received for SEND teaching, Pupil Growth and Disproportionality and FSM income.

The COVID-19 Catch up Premium was received as a one-off universal catch-up premium to support children and young people to catch up lost time after school closure.

Other non-DfE/ESFA COVID-19 funding was received under the National Testing Programme to support with costs incurred conducting on-site testing.

Capital grant funding was received from the DfE/ESFA of £2,570,726 (2022: £1,152,196) in relation to the conversion of a council property into a building for the Academy Trust's use.

In 2022 an amount of £941,305 was ringfenced within restricted and unrestricted reserves, to contribute to the expansion of the UTC as match-funding for an application to the ESFA's 16-19 expansion fund. £743,309 was utilised in the year (2022: 197,996). The remaining capital expenditure on the expansion of the UTC was funded from the unrestricted fund, being £68,021, and the GAG being £193,792.

Restricted Pension Fund relates to the deficit on the Local Government Pension Scheme.

Restricted Fixed Asset Funds include the fixed assets transferred to the Academy Trust and DfE/ESFA capital grants. These funds represent fixed assets transferred from R D Enterprises and assets purchased from DfE/ESFA capital grants received together with any unspent capital funding carried forward at 31 August 2023.

Donated fixed assets relate to the donation of leasehold of property from the Local Authority.

During the year amounts of £811,330 was transferred from the Unrestricted fund to the Restricted Fixed Asset Fund to fund capital expenditure.

During the year £193,792 was transferred from the GAG fund to the Restricted Fixed Asset Fund to fund capital expenditure.

## **The Ron Dearing UTC**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **14 Funds (continued)**

The academy trust is carrying a net deficit of £197,730 on restricted general funds (excluding pension reserve) plus unrestricted funds because of the investment made by the school in the extension of the sixth form provision and some additional unforeseen costs as part of this building project. The academy trust is taking the following action to return these funds to surplus: The school has been hugely successful in recruiting additional pupils which will improve the budget position from academic year 2024/25 allowing the budget to return to a surplus position during this year. The 3-year budget projections look healthy going forward given the improved pupil numbers. Previously the school benefited from a pupil number adjustment based on numbers on role in the September following the October census, this agreement with the ESFA came to an end on 31/08/23 meaning funding is lagged to the previous October. This system is a disadvantage to growing schools and will prevent the school from returning to surplus position during the 2023/24 academic year however the deficit is expected to reduce by c£85k.

## The Ron Dearing UTC

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 14 Funds (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted funds</b>					
<i>Restricted general funds</i>					
General Annual Grant (GAG)	572,153	4,253,147	(4,438,716)	(69,974)	316,610
Other DfE/ESFA Grants	52,638	317,340	(288,692)	-	81,286
Local Authority Grants	35,992	180,964	(166,296)	-	50,660
Other non-DfE/ESFA					
COVID-19 funding	-	7,931	(7,931)	-	-
COVID-19 Catch up Premium	-	61,577	(61,577)	-	-
Other Grants	-	21,228	(36,264)	15,036	-
Pension Reserve	(892,000)	-	(277,000)	1,011,000	(158,000)
	<u>231,217</u>	<u>(4,842,187)</u>	<u>5,276,476</u>	<u>(956,062)</u>	<u>(290,556)</u>
<i>Restricted fixed asset funds</i>					
DfE/ESFA Capital Grant	53,084	1,167,232	(21,599)	101,581	1,300,298
Other fixed assets	162,060	-	(99,930)	96,415	158,545
Donated assets	-	10,177,616	(212,864)	-	9,964,752
Total restricted funds	(16,073)	16,187,035	(5,610,869)	1,154,058	11,714,151
<i>Unrestricted general funds</i>					
General fund	<u>119,512</u>	<u>241,767</u>	<u>(34,515)</u>	<u>(143,058)</u>	<u>183,706</u>
Total funds	<u>103,439</u>	<u>16,428,802</u>	<u>(5,645,384)</u>	<u>1,011,000</u>	<u>11,897,857</u>

## The Ron Dearing UTC

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 15 Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	14,706,022	14,706,022
Current assets	296,431	278,334	574,765
Current liabilities	(494,161)	(278,334)	(772,495)
Total net assets	<u>(197,730)</u>	<u>14,706,022</u>	<u>14,508,292</u>

Comparative information in respect of the preceding period is as follows:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	11,423,595	11,423,595
Current assets	183,706	706,312	1,397,565	2,287,583
Current liabilities	-	(257,756)	(1,397,565)	(1,655,321)
Pension scheme liability	-	(158,000)	-	(158,000)
Total net assets	<u>183,706</u>	<u>290,556</u>	<u>11,423,595</u>	<u>11,897,857</u>

#### 16 Capital commitments

	2023 £	2022 £
Contracted for, but not provided in the financial statements	<u>-</u>	<u>3,512,031</u>

In the prior year the Academy Trust entered into an agreement with the local council and Department for Education (DfE) to convert a property into a building for the Academy Trust's use. The work is complete at 31 August 2023 and has been recognised in the financial statements at the value of £4,784,926 (2022: £1,280,218). The Academy Trust has recognised income of £2,570,726 in the current year (2022: £1,115,196), with total income received from the Post 16 Capital Funding being £3,685,922 (2022: £1,115,196).

#### 17 Long-term commitments, including operating leases

##### *Operating leases*

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:



## The Ron Dearing UTC

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 17 Long-term commitments, including operating leases (continued)

	2023 £	2022 £
Amounts due within one year	12,712	1,088
Amounts due between one and five years	38,569	-
	<u>51,281</u>	<u>1,088</u>

#### 18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2022/23 £	2021/22 £
Net income	2,378,435	10,783,418
Depreciation	317,736	334,307
Capital grants from DfE and other capital income	(2,616,355)	(1,167,232)
Interest receivable	(98)	(331)
Defined benefit pension scheme cost less contributions payable	66,000	100,456
Defined benefit pension scheme finance cost	8,000	17,000
Donations - local authority asset transfer	-	(10,177,616)
Decrease/(increase) in debtors	598,422	(857,224)
(Decrease)/increase in creditors	(882,826)	1,173,461
Net cash (used in)/provided by Operating Activities	<u>(130,686)</u>	<u>206,239</u>

#### 19 Cash flows from investing activities

	2022/23 £	2021/22 £
Purchase of tangible fixed assets	(3,600,163)	(1,388,244)
Capital grants from DfE Group	2,616,355	1,167,232
Interest received	98	331
Net cash used in investing activities	<u>(983,710)</u>	<u>(220,681)</u>

#### 20 Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	64,810	1,179,206
Total cash and cash equivalents	<u>64,810</u>	<u>1,179,206</u>

## The Ron Dearing UTC

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 21 Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash	1,179,206	(1,114,396)	64,810
	-	-	-
Total	<u>1,179,206</u>	<u>(1,114,396)</u>	<u>64,810</u>

#### 22 Member liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before they ceased to be a member.

#### 23 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the East Riding of Yorkshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2019.

Contributions amounting to £79,754 were payable to the schemes at 31 August 2023 (2022: £69,674) and are included within creditors.

##### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

## **The Ron Dearing UTC**

### **Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)**

#### **23 Pension and similar obligations (continued)**

##### **Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.6% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI. assumed real rate of return is 1.7% in excess of prices and 1.3% in excess of earnings. The rate of real earnings growth is assumed to be 0.4%. The assumed nominal rate of return including earnings growth is 4.1%.

The valuation result for 31 March 2020 is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £566,054 (2022: £491,824).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)

##### **Local government pension scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £195,000 (2022 - £148,000), of which employer's contributions totalled £145,000 (2022 - £109,000) and employees' contributions totalled £50,000 (2022 - £39,000). The agreed contribution rates for future years are 17.5 percent for employers and between 5.5 and 12.5 percent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

## The Ron Dearing UTC

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 23 Pension and similar obligations (continued)

##### Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	2.95	3.95
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	<u>5.20</u>	<u>4.25</u>

The current mortality assumptions include sufficient allowance for future improvements in the mortality rates. The assumed life expectations on retirement age 65 are:

	2023	2022
<b>Retiring today</b>		
Males	21.10	20.80
Females	24.00	23.50
<b>Retiring in 20 years</b>		
Males	21.90	22.00
Females	<u>25.50</u>	<u>25.30</u>

##### Sensitivity analysis

	2023	2022
	£	£
0.1% decrease in real discount rate	33,000	30,000
0.1% increase in the pension rate	30,000	28,000
0.1% increase in the salary increase rate	3,000	3,000
1 year increase in member life expectancy	<u>49,000</u>	<u>47,000</u>

The sensitivity regarding the principal actuarial assumptions used to measure the scheme liabilities are set out above. This gives the approximate monetary increase to the obligation by changing the assumptions.

The Academy Trust's share of the assets in the scheme were:

	2023	2022
	£	£
Equities	1,016,640	760,500
Government bonds	240,040	141,960
Property	127,080	101,400
Cash and other liquid assets	<u>28,240</u>	<u>10,140</u>
Total market value of assets	<u>1,412,000</u>	<u>1,014,000</u>

The actual loss on scheme assets was £48,000 (2022 - £31,000).

## The Ron Dearing UTC

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 23 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	2022/23 £	2021/22 £
Current service cost	204,000	369,000
Interest income	(47,000)	(16,000)
Interest cost	55,000	33,000
Past service cost	7,000	-
Total amount recognised in the SOFA	<u>219,000</u>	<u>386,000</u>

##### Changes in the present value of defined benefit obligations were as follows:

	2022/23 £	2021/22 £
At start of period	1,172,000	1,775,000
Current service cost	204,000	369,000
Interest cost	55,000	33,000
Employee contributions	50,000	39,000
Actuarial (gain)/loss	(262,000)	(1,042,000)
Benefits paid	(4,000)	(2,000)
Past service cost	7,000	-
At 31 August	<u>1,222,000</u>	<u>1,172,000</u>

##### Changes in the fair value of academy's share of scheme assets:

	2022/23 £	2021/22 £
At start of period	1,014,000	883,000
Interest income	47,000	16,000
Actuarial gain/(loss)	160,000	(31,000)
Employer contributions	145,000	109,000
Employee contributions	50,000	39,000
Benefits paid	(4,000)	(2,000)
At 31 August	<u>1,412,000</u>	<u>1,014,000</u>

Per the actuary valuation on 31 August 2023, the plan for the Academy Trust is valued as an asset.

The asset has not been recognised by the Academy Trust as they are not realisable and the Trust lacks sufficient control to be able to derive benefit from the plan. The plan for the Academy Trust has therefore been valued at £Nil, with neither an asset nor liability recognised.

## The Ron Dearing UTC

### Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

#### 23 Pension and similar obligations (continued)

	2022/23 £	2021/22 £
Present value of defined benefit obligation	(1,222,000)	(1,172,000)
Fair value of academy's share of scheme assets	1,412,000	1,014,000
Asset ceiling adjustment	(190,000)	-
	<u>-</u>	<u>(158,000)</u>

#### 24 Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

R Charlesworth, wife of B Charlesworth, a Trustee, is employed by the Academy Trust as a Teacher. R Charlesworth's appointment was made in open competition and B Charlesworth was not involved in the decision making process regarding appointment. R Charlesworth is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

S Kennedy, son of S Pashley, the School Principal, is employed by the Academy Trust as a Specialist Teaching Assistant in the Creative department. S Kennedy's appointment was made in open competition and S Pashley was not involved in the decision making process regarding appointment. S Kennedy is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to the School Principal.

P Kennedy, Husband of S Pashley, the School Principal, is employed by the Academy Trust as a Front of House Manager. P Kennedy is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to the School Principal.

P Murphy, wife of M Ollerenshaw, a Vice Principal, is employed by the Academy Trust as an English Teacher. P Murphy's appointment was made in open competition and M Ollerenshaw was not involved in the decision making process regarding appointment. P Murphy is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Vice Principal.

